




Memorandum

DATE: February 10, 2007
TO: **Interim Economic Affairs Committee**
FROM: Evan Barrett, Governor's Office of Economic Development 
COPY: Tony Preite, Director, Department of Commerce
David Ewer, Budget Director
SUBJ: **SB 133 – Funding for Administration & Possible Test Case**

As you know, based upon our previous discussions, when SB 133 was passed by the 2005 Legislature it was left unfunded. Because of that and the lack of funding from any other source, the administration has chosen to not appoint the Board and begin administrative activity.

Further, questions of "constitutionality" of SB 133 have been raised. Lack of resolution of that issue will have a chilling effect of the raising of capital for a "fund of funds." Therefore, we believe that before serious operations under SB 133 could begin, assuming administrative funds were available, a successful test case would have to be concluded. This creates an additional funding burden for the Department of Commerce and the Board.

With that background in mind, we want to make the members of the interim committee aware that the Department of Commerce has placed into the Executive Planning Process an initial request for funds to handle both regular administration for the program and a test case.

At this stage of the budgeting process the administration has not pre-committed to funding any project. We will keep you apprised of the status of this funding request as the budget process moves forward.

If you have any questions, feel free to contact me.

Thank you.

Tap 'er light!